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**Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba**

# Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba

## Report of the Secretary-General**

**Addendum**

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* A/56/150.

** The present report contains replies of Member States and United Nations organs. In spite of a clear deadline set in the note verbale for submission of contributions, the Americas and Europe Division, Department of Political Affairs, has no control over late submissions.

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# II. Replies received from Governments

## Angola

[Original: English]
[7 August 2001]

1. The Republic of Angola has voted in the General Assembly of the United Nations in favour of ending the economic, commercial and financial blockade imposed by the United States of America against the Republic of Cuba. It has reiterated that the blockade has caused sacrifices, privation and suffering for the Cuban people, contradicting the principles consecrated in the Universal Declaration of Human Rights and other international pacts on civil and political rights and on economic, social and cultural rights.

2. The Republic of Angola expresses its concern that the blockade affects not only the targeted political ends, but also the entire Cuban population, which suffers directly its negative effects. In the light of this situation, the Angolan Government reaffirms once again its determination to see the objectives of the United Nations realized and appeals to the parties to choose the path of negotiation based on the principles of international law in order to find a peaceful solution to the disagreement.

3. The Republic of Angola exhorts members of the United Nations to strictly observe the principles consecrated in the Charter of the United Nations and, in conformity with resolution 55/20 adopted by the General Assembly on 9 November 2000, not to implement any measure that aims to reinforce the blockade. It also calls for members to undertake efforts to put an end to the hostilities imposed on the Cuban people.

4. The Republic of Angola unconditionally supports the provisions of resolution 55/20 and calls for the United Nations to establish effective and adequate mechanisms the objective of which is the fulfilment of the highly regarded resolution.

## Bangladesh

[Original: English]
[26 July 2001]

Bangladesh has fully complied with General Assembly resolution 55/20.

## Botswana

[Original: English]
[18 July 2001]

The Republic of Botswana has never promulgated, applied and enforced any laws and measures of the kind referred to in the above-cited resolution. Botswana is therefore opposed to the continued adoption and application of such extraterritorial measures and, as reflected by its vote on resolution 55/20, supports the lifting of the economic, commercial and financial embargo imposed against Cuba.

## Burkina Faso

[Original: French]
[24 July 2001]

Burkina Faso does not apply any kind of economic, commercial or financial blockade against the Republic of Cuba. On the contrary, over the past two decades, the Government of Burkina Faso has developed a cooperative relationship that is beneficial to both countries in various areas of mutual interest.

## Grenada

[Original: English]
[19 July 2001]

1. The Government of Grenada does not promulgate nor apply any law or measure which would encroach on or undermine the sovereign rights of any State.

2. Grenada, in recognition of the purposes and in adherence to the principles of the Charter of the United Nations and international law, does not support the negation or hindrance to the freedom of international trade and navigation by any State.

3. Grenada therefore opposes the economic, commercial and financial embargo imposed by the United States of America against Cuba, supports resolution 55/20 and will honour its mandate.

### Paraguay

[Original: Spanish]
[27 July 2001]

The Government of Paraguay has not promulgated or applied any laws or measures of the kind referred to in the preamble to resolution 55/20 relating to any kind of economic, commercial or financial blockade against Cuba.

### Rwanda

[Original: English]
[July 2001]

Rwanda has not had any economic, commercial or financial relations with Cuba independent of the United States of America embargo, but we are in the process of developing them. Rwanda, however, supports the said General Assembly resolution and its full implementation.

### Saint Kitts and Nevis

[Original: English]
[7 August 2001]

Saint Kitts and Nevis does not have any trade embargoes against Cuba.

### Sri Lanka

[Original: English]
[24 July 2001]

Sri Lanka has not promulgated any laws and measures referred to in the preamble of General Assembly resolution 55/20, entitled "Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba". Therefore, the question of repealing such laws does not arise.

### Zambia

[Original: English]
[13 July 2001]

In conformity with its obligations under the Charter of the United Nations and international law, which, inter alia, reaffirm the freedom of trade and navigation, Zambia is opposed to the continued embargo against Cuba and to any laws with extraterritorial effect. In this regard Zambia does not, therefore, subscribe to or support the promulgation and application of laws and measures of the kind referred to in the preamble of resolution 55/20.

## III. Replies received from organs and agencies of the United Nations system

### Economic Commission for Latin America and the Caribbean

[Original: English]
[23 July 2001]

1. Significant changes have been introduced in Cuba's economic policy to deal adequately with a new international environment that has emerged throughout the last decade, marked by a sharp reduction in the country's trade and cooperation links with nations outside the region. Among the most important steps taken by Cuban authorities during the period, one should mention the active promotion of foreign direct investment and other types of financing, export promotion including services, particularly tourism, the decentralization of foreign trade, the implementation of a legal and monetary framework to allow for the circulation of hard currencies, and the establishing of a system for tax administration.

2. In this framework, the Economic Commission for Latin America and the Caribbean (ECLAC) has been working with the Cuban authorities in building up policy-making capacity and institutional strengthening to optimize the insertion of the Cuban economy into the global one, overcoming the obstacles that might arise in this process. One of the most important contributions made in this regard was a comprehensive study of the economic reforms, which resulted in the publication of the book, entitled *La economía cubana*:

*reformas estructurales y desempeño económico en los noventa* (Spanish only). Originally published jointly by ECLAC and the Fondo de Cultura Económica in March 1998, a second, updated, edition was published in 2001. The publication provided to the Cuban authorities and to the international community an in-depth analysis of the country's development and the trends and obstacles for the institutional and structural adjustment resulting from several contemporary events and process, particularly those generated outside Cuba.

3. Since 1998, ECLAC has provided technical advice to the Ministry of Finance and Prices in its efforts to adjourn the conceptual framework for Cuba's fiscal policy. In the area of public expenditure, on the one hand, ECLAC technical assistance has focused on examining ways to improve its productivity, while safeguarding social equity, paying particular attention to the fiscal and quasi-fiscal spheres. In the area of public revenues, on the other hand, the assistance has focused on providing advice in the establishment of the National Organization for Tax Administration and the legal framework for the new taxing policy.

4. In the area of capacity-building, since 2000, ECLAC has actively contributed to a joint programme of the University of Havana and Carleton University (Canada) for a year-long comprehensive Master's degree in Economics. This programme was aimed at supporting the universities of Cuba, through the University of Havana, in strengthening their contribution to Cuba's effort to optimize the benefits derived from its insertion into the global economy, through the generation of professionals qualified in economic management to deal adequately with the challenges posed by globalization. During the five years that the programme lasted, ECLAC contributed with seven experts as professors for the master's degree, in the areas of macroeconomics, international economy and structural adjustment. As a result of the programme, some 150 professionals, most of them university lecturers, obtained a master's degree in economics.

5. At a more general level in the area of capacity-building, in 1997, at the request of the Ministry of Finance and Prices, ECLAC designed and delivered a one-week intensive course on public finance and macroeconomic models for professional staff from the Ministry. To this should be added the fact that Cuban professionals regularly attend the international training activities carried out by ECLAC through the Latin American Institute for Economic and Social Planning, which totalled 10 during 2000.

## United Nations Conference on Trade and Development

[Original: English]
[25 July 2001]

1. Despite pressure from various political, civil society and business groups to relieve or even lift the economic sanctions imposed by legislation in force in the United States of America, many of the economic, commercial, financial and social-related coercive measures that were imposed on Cuba some four decades ago are still being implemented. Significant change in the United States policy towards Cuba would require the reversal by Congress of its decision on the Cuban Liberty and Solidarity Act of 1996 (commonly known as the Helms-Burton Act), which prohibits the lifting of the embargo until there is a change of Government in Cuba. In 1992, Congress had approved the Cuban Democracy Act, which established a two-track policy to reach out to the Cuban people, while strengthening the economic embargo against the regime. It permits humanitarian donations, including food and medicines, while attempting to increase economic pressure on the Cuban Government by prohibiting United States subsidiaries of foreign companies from trading with Cuba and imposing restrictions on sea transport by any vessel which had handled freight to or from a Cuban port. In 1996, Congress approved the Helms-Burton Act, which sought to build on a dual approach of the Cuban Democracy Act by expanding the target of possible sanctions to third parties that carried out business in Cuba (unilateral trade measures including extraterritorial implementation of United States trade legislation, including sanctions).

2. The dual track promoted by the Cuban Democracy Act and Helms-Burton Act is now being criticized in a number of quarters in the United States as having failed to achieve the objective of political reform in Cuba. As a result, a movement towards change in United States policies towards Cuba is evolving, in particular within certain parts of the business community, and even among politicians who were prominent supporters of the embargo and isolation of Cuba from normal international economic

and trade relations. Some of the manifestations of these tendencies are set out below.

3. *The emergence of an active corporate lobbying effort against the sanctions policy towards Cuba.* The immediate objective of this lobbying is to change United States policy on travel and the sale of food and medicines; the long-term focus is to end restrictions on United States relations with Cuba. In 1997, as part of these efforts and largely in response to the Helms-Burton and the Iran-Libya Sanctions Acts, important members of the United States corporate community established USA*Engage, which, along with the United States Chamber of Commerce, has lobbied actively against the sanctions.

4. In July 2000, the United States Senate voted 79 to 13 in favour of the Cuba Trade Normalization Act of 2000 (S.2617), which would lift the restraints on food and medicine sales to Cuba. The recent acceptance by Congress of the modification of the language of the Fiscal Year 2001 Agricultural Appropriations Bill to lift restrictions on food sales provides further indication that the embargo may be reduced even more extensively. The modified language permits food and medicine sales, but without United States credit or financing for Cuban purchases. Third-country financing is permitted and current restrictions on travel to Cuba are codified. Although considered as a compromise, the House's repudiation of two pillars of the embargo demonstrates a rather significant political change towards Cuba.

5. *A broader questioning of the utility of sanctions as an instrument of United States foreign policy.* The evolution of a political consensus on the merits of "engagement" with the People's Republic of China, Viet Nam, and the Democratic People's Republic of Korea has expedited the reconsideration of United States policy towards Cuba. There have been recent studies on the economic impact of United States sanctions more generally but also with respect to Cuba (see, inter alia, the study prepared by the United States International Trade Commission, entitled "*The Economic Impact of U.S. Sanctions with respect to Cuba*".[1] The report prepared for the United States House of Representatives Committee on Ways and Means provides an overview of United States sanctions with respect to Cuba; it describes the Cuban economy, Cuban trade and investment policies and trends; it analyses the historical impact of United States sanctions on both the United States and Cuban economies; and evaluates the current impact on United States-Cuban bilateral trade, investment, employment, and consumers. The report highlights, inter alia, the following:

(a) United States economic sanctions with respect to Cuba had a minimal overall impact on the Cuban economy when Cuba was able to adjust through political and economic alliance with the Soviet Union and the Socialist countries of Eastern Europe, largely offsetting any adverse effects of the sanctions. The loss of Soviet economic assistance after 1990 caused a severe downturn in the Cuban economy, eventually forcing Cuba to introduce economic reforms to attract foreign investment and selective economic liberalization to stimulate domestic production. Currently, sanctions force Cuba to source some products that could be supplied by the United States, from distant trading partners at higher transportation costs;

(b) United States economic sanctions with respect to Cuba have had a minimal overall historical impact on the United States economy. The United States quickly found alternative suppliers and markets to replace trade with Cuba. Overall, Cuba emerged as a small global market relative to other Latin American countries, and foregone United States trade opportunities were minimal;

(c) Despite the close geographic proximity that would appear to make the United States and Cuba natural trading partners, bilateral economic relations, in the absence of sanctions, could be limited by Cuba's remaining restrictions on investments and economic activity, a foreign exchange shortage that limits Cuba's ability to import, and production constraints that limit Cuba's export potential;

(d) While the overall impact on the United States economy of United States sanctions with respect to Cuba was small, the report indicates that some United States industries may be likely to benefit from the removal of sanctions. Industries in rice and wheat may benefit as a result of increased exports to Cuba. The report also indicates that some United States industries, such as citrus and winter vegetables, may face some increased competition from imports from Cuba.

6. A number of restrictions, such as prohibitions and licensing on United States citizens travelling to Cuba, still remain. United States citizens cannot spend money

in Cuba without prior special permission from the Treasury Department, which may be called a de facto travel ban. However, this has not stopped travel from the United States to Cuba from flourishing. The United States-Cuba Trade and Economic Council estimates that 160,000 United States citizens are expected to visit Cuba in 2001, which is a significant increase from 55,000 in 1999. The restrictions have also been mitigated by the Clinton Administration policy to encourage "people-to-people" contacts. It should further be noted that only very few Cuban citizens are allowed or can afford to travel abroad. The Cuban economy receives remittances by Cuban-Americans, estimated to be about US$ 800 million a year. However, the current restrictions limit the legal amount that may be remitted to Cuba to US$ 300 in any three-month period. Proposals to lift this cap point to the possibility of the remittances contributing to the development of alternative markets through additional demand for products and services from self-employed Cubans.

7. The Cuban Government has actively sought to attract foreign investment and tourism to Cuba. In 2000, more than 1.7 million tourists visited Cuba, compared with 340,000 in 1990. The Government, in joint ventures with a variety of companies, is expanding construction of first-class hotels, especially in cities outside Havana and a few long-time destinations. International airports have been built near resort centres and overseas tour operators are well received in Cuba. However, Cuba itself still imposes many limitations to investment, in particular from the United States, thus giving companies from other countries a more competitive position.[2]

**Recent developments in the deliberations in the World Trade Organization concerning trade-related measures having characteristics of economic coercion, particularly as related to Cuba**

8. A long-standing issue in the World Trade Organization (WTO) Council for Trade-Related Aspects of Intellectual Property Rights has been the request by Cuba, in December 1998, for information from the United States Government on the amendments that it had made to the Omnibus Consolidated and Emergency Supplemental Appropriations Act for the fiscal year 1999, in particular article 211, subparagraphs (a), (b) and (c), as well as its compatibility and relevance to the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPs Agreement). Cuba maintains that it has still not received a satisfactory response to that request, despite the response of the United States through a communication[3] dated 6 April 2000 on relevant United States regulations relating to many aspects of the sanction in force against Cuba, as well as some oral explanations in the Council. According to Cuba, section 211 is incompatible with United States obligations under the TRIPs Agreement, especially article 65 (transitional arrangements); article 3 (national treatment); article 2 (certain parts of intellectual property conventions); and article 62 (acquisition and maintenance of intellectual property rights and related inter-party procedures). The origin of the matter is the right to register a brand name in the United States for a rum, originally owned by a Cuban family until its expropriation in 1960, now involving a joint venture between a Cuban distiller (not the original family) and a major French spirits group. The European Community considers that the obligation for the Cuban distiller to obtain the agreement of the original owner before re-registering the brand name, even though the owner had abandoned it and it was now in the public domain, is discriminatory and violates several United States obligations under the TRIPs Agreement. Following a request by the European Union, a panel was established on 26 September 2000, at the meeting of the WTO Dispute Settlement body, to examine section 211 of the Omnibus Appropriation Act of 1998. Japan had also expressed its concern about the compatibility of section 211 with the relevant TRIPs provision and reserved, together with Nicaragua, its third-party rights to participate in the panel's proceedings.[4] Cuba has welcomed the establishment of the panel and the matter will be deleted from the TRIPs Council agenda, it being understood that any WTO member could revert to it at any time it wishes.

9. During the recent WTO General Council discussion on the work programme on electronic commerce (8-9 May 2001), the Cuban delegation intervened to point out that the Council for Trade in Services, within the framework of the work programme on electronic commerce had examined the need to increase developing countries' participation, inter alia, by implementation of article IV of the General Agreement on Trade in Services concerning the liberalization of market access in areas of export

interest to developing countries and regarding better access to technology, including technology relating to encryption and security of transactions. The Cuban delegate stated that several developing country members of the WTO, including Cuba, as well as other non-member countries, had been unable to participate fully in the Global Project of the International Telecommunication Union (ITU) which is part of the ITU project, entitled "Electronic commerce for developing countries" because of trade restrictions imposed by the United States covering a software package necessary for issuing digital certificates. The Cuban remarked further that the United States' policy stand violated the rules and principles of international trade and was tantamount to an embargo on Cuba's benefiting from the Global Project, which had been conceived to afford developing countries access to information technologies so as to guarantee secure electronic commerce. The United States did not comment on the statement of the Cuban delegation at the meeting.

## International Labour Organization

[Original: English]
[27 July 2001]

1. Cuba is treated in the same way as any other member State of the International Labour Organization (ILO). Cuba participates actively in the International Labour Conference and other pertinent ILO activities.

2. In correspondence from 1995 between the ILO Regional Office for Latin America and the Caribbean and the Minister of Labour and Social Security of Cuba, ILO stated its view that the United Nations was the appropriate forum to address the question of the economic, commercial and financial embargo against Cuba.

## Food and Agriculture Organization of the United Nations

[Original: English]
[11 September 2001]

### FAO technical assistance to Cuba

1. In terms of FAO technical cooperation work in Cuba, most of its activities have been financed from its own Technical Cooperation Programme (TCP). Only since the year 2000 have there been projects funded from extrabudgetary resources (Italy and Netherlands) and by the Cuban Government, through the Unilateral Trust Fund (UTF) modality. FAO has experienced difficulties related to the embargo with the procurement of certain project equipment. For example, the FAO project TCP/CUB/0066, relating to the design of a national strategy to combat forest fires, had difficulty buying communication equipment and equipment and hand tools for forest firefighting.

### Food and agriculture sector

2. The agriculture sector has historically been an important sector of the Cuban economy. For the past 40 years, agriculture has consistently represented over two thirds of Cuba's export earnings (including sugar, tobacco and citrus). Despite the dramatic decline in Cuba's export earnings since 1989, agriculture continues to represent over 75 per cent of the country's net export earnings. While it is difficult to distinguish the precise impact of the embargo from the impact of other factors, both internal and external, it would seem that the embargo's negative impact on the food and agriculture sectors stems mainly from the fact that Cuba has had to import food, agricultural inputs, machinery and spare parts from more distant and expensive markets, which has resulted in price increase for those products. Spare parts from United States-produced machinery has been difficult, if not impossible, to obtain, as have been specialized goods produced only by United States firms.

3. The consequences of this situation have contributed to a decline in certain agricultural activities due to the lack of access to improved technology and knowledge, basic inputs, management expertise, research and to the market of its largest and closest neighbouring country, just 100 miles away. In terms of basic agricultural inputs, pesticide imports by Cuba have dropped by more than 60 per cent and fertilizers more than 70 per cent since 1990.

4. For example, citrus production has suffered from a diminished access to basic inputs (fertilizers, in particular). The production area for citrus, which was 300,000 acres in 1974-1975, declined to 238,000 acres in 1994-1995. Production fell from 1 million metric tons in 1989 to 620,000 metric tons in 1993. The situation has been similar for sugar, which has also experienced a contracting external market.

5. During the 1990s, annual vegetable production declined, with 392,000 tons produced in 1993, approximately 30 per cent less than the average annual production in the late 1980s. For example, Cuban tomato yields decreased approximately 20 per cent between 1975 and 1989. Tropical fruit production (mango, guava, papaya, pineapple and coconut) peaked in 1985, at 240,000 tons. By 1992, however, tropical fruit had fallen to only 68,000 tons. Mango yields decreased by more than 20 per cent between 1975 and 1992. During the same period, guava yields fell about 35 per cent, and papaya yields were decreased by half. Reduced access to fertilizers and other agricultural imports appears to have affected productivity and yields. Yields for some major food crops have dropped.

6. As pesticides and fertilizers became prohibitively expensive, Cuba developed a strong organic agriculture sector. However, organic products do not compensate for losses and have no access either to their largest and closest foreign market.

7. About 40 per cent of Cuba's food supply depends on imports, while commodities for export (sugar and tobacco) tend to dominate Cuban agriculture. Importing food from more distant markets has tended to increase transport costs. In fact, price increases for imported commodities such as meat, milk, rice, wheat and animal feed have been experienced. Both trends have worked against greater food security. Undernourishment increased from 4 per cent of the population in 1990-1992 to 19 per cent in 1996-1998. Over the same period, the average daily food intake declined by around 500 calories per person.

8. The deterioration of irrigation and drainage systems represents a more insidious trend, with implications for export earnings from agriculture (sugar cane accounts for 48 per cent of irrigated land) and for food crops. Over the period 1991-1996, land under irrigation declined by 18.1 per cent. As irrigated agriculture in 1997 accounted for 7.6 per cent of the gross national product and the agricultural labour force represented 15.2 per cent of the active population, its impact on the Cuban economy was not indifferent. Recent FAO missions to Cuba have confirmed that the situation with regard to irrigation and drainage systems has not changed. The decline has been attributed to the limited access to research, expertise and improved technology and to a lack of resources to invest in the maintenance and development of such systems.

**Fisheries sector**

9. Almost the totality of Cuban fish exports consists of high-value products (frozen shrimp and lobster) which are in strong demand in the international markets. The export bill amounted to $93 million in 1999 for a total volume of 8,300 tons. On the other hand, the fish imports bill amounted to $22.5 million, for a total volume of 25,000 tons of low-value fish products. In addition to the foreign currency earnings, essential to the economy of the country under the present circumstances, there is also a clear gain in the traded volumes of fish as food and the fish protein that contributes to addressing food security needs of the population.

10. However, due to the embargo, Cuba is not receiving all of the possible benefits that could obtain from fish trade. The country cannot place its valuable products in the closest and a most important potential market and is therefore obliged to export to more distant markets with increased marketing and distribution costs. This affects, in particular, exports of live lobsters, for which the United States is a very important market. A similar situation exists for aquaculture, taking into account the increasing export trade of aquaculture products from Central America and the Caribbean region to the United States.

11. In the aquaculture sector, culture-based fisheries in reservoirs are the main type of aquaculture in Cuba, which accounts for more than 45 per cent of total fish production and contributes significantly to food supply and food security.

12. Lack of imported inputs to agriculture and husbandry activities (animal feeds and fertilizers) has affected the productivity of reservoirs by a negative impact on eutrophication which reduces algae productivity and consequently fish productivity. The embargo, which implies comparatively higher input costs, in particular, has also contributed to hampering recent attempts to develop more intensive types of aquaculture (earth ponds, cages, pens, circulation canals).

13. Shrimp aquaculture, an industry with good development potential, is also adversely affected by the higher costs and more difficult procurement of imported equipment and other inputs as well as by the increased difficulties of gaining access to international sources of credit to finance this capital-intensive activity.

14. Furthermore, certain chemical products required for the monitoring and control of Ciguatera, an endemic fish poison, are only available in the United States. The lack of effective control of Ciguatera negatively affects fish production for domestic consumption and external trade.

## Pan American Health Organization/ World Health Organization

[Original: English]
[19 July 2001]

1. The World Health Organization, both directly and by means of its Regional Office for the Americas, has continued its cooperation with Cuba along all the period of effect of the embargo, and through its Representative Office in Havana has been able to not only confirm the effects of the blockade on the health sector, but support the Cuban State in the palliative and compensatory efforts, implementing General Assembly resolution 55/20.

2. These repercussions could be classified in those of general nature, given by significant affectations to the economy of the country that impede the best allocation of necessary resources in priority areas — and that as a result affect the living conditions, and indirectly the health of the population — and others that directly affect the programmes and health services compromising the quality of life of the Cuban people, especially of the children, the elderly and the sick.

### Socio-economic, political, and demographic overview

3. The situation in Cuba since 1989 has been characterized, above all, by a profound economic crisis, which has affected virtually all spheres of national life. The severity of the crisis is evidenced by the fact that, between 1989 and 1993, the country's gross domestic product fell 35 per cent and exports declined by 75 per cent. The two determining factors underlying the crisis are well known. One is the dissolution of the Soviet Union and the socialist bloc, with which Cuba had maintained 85 per cent of its foreign trade prior to 1989, and the other is the economic embargo the Government of the United States of America imposed on Cuba more than 30 years ago, which was strengthened in 1996 with the approval of the Helms-Burton Act, aimed at blocking foreign investment in Cuba and severely curbing foreign trade.

4. In the face of this new situation, the Cuban Government has introduced a series of adjustments and restructuring measures aimed at halting the decline and reviving the economy. The Cuban process seeks to achieve sustainability and efficiency without undoing the social gains of the Revolution, to preserve to the greatest extent possible the levels of equity that have been attained, and to prevent loss of employment and livelihood for the population.

5. The measures implemented include promoting international economic collaboration and foreign investment in Cuba; creating agricultural and industrial free markets that operate on the basis of supply and demand; expanding private enterprise or self-employment; developing new land and cattle cooperatives; introducing a broad-based tax system that taxes state and private activity; progressively reducing subsidies to state-run enterprises; strengthening the system of rationed distribution of goods at subsidized prices, with and emphasis on the most vulnerable groups; downsizing and decentralizing the central government; and reforming and modernizing financial, banking and business systems.

6. In addition to the increase in production and export capacity in traditional items, such as sugar, nickel, fish, cement, and tobacco, an effort has been made to develop new sectors with tremendous potential for generating foreign currency revenues, such as tourism, mining, biotechnology, and the pharmaceutical, electronic and sugar industries.

7. On the political front, noteworthy developments include efforts to extend the decentralization of the government (including decentralization of the national health system) and the economic sectors; to promote and develop popular participation in decision-making processes at all levels through development of grass-roots entities within the political structure, namely, the popular councils and municipal governments; and to strengthen the Parliament and its commissions, including health sports, and the environment commissions, as the legislative organ of the State.

8. The general mortality rate was 7.0 per 1,000 inhabitants in 1992 (the highest rate during the period 1986-1992) and it reached 7.2 in 1996. Life expectancy at birth for the year 2000 was 76 years for both sexes. Whereas infectious and parasitic diseases were the

main causes of death 30 years ago, today the vast majority of deaths are due to chronic and degenerative diseases and accidents. The leading causes of death for all ages are heart disease, malignant neoplasms, cerebrovascular disease and accidents. These four causes are responsible for 65 per cent of all deaths.

9. In order to increase efficiency and efficacy of the health system, in 1996, five strategies and four priority programmes were adopted. The family doctor and nurse programme was identified as the pillar to reorient the health system toward primary care; restructuring hospital care (home care, ambulatory services and emergency); redefinition of high-technology programmes and research institutions; mainstreaming alternative and traditional medicine and natural drugs; special care, such as dentistry, optical services, etc. The priority programmes were maternal and child health, chronic non-communicable diseases, communicable diseases and care of the elderly.

10. The Ministry of Public Health has developed a strategy for responding to existing, emerging and re-emerging problems. The strategy seeks to increase the efficiency and quality of health services; to ensure the sustainability of the system, especially in financial terms; and, although a high level of health equity has been achieved, to work to eliminate the small reducible inequalities in health care and in the use of health services in different regions and population groups. The strategy emphasizes promotion of health and prevention of disease in the framework of strengthening primary health care and family medicine, decentralization, intersectoral action and community participation, as well as improvement of services at the secondary and tertiary levels.

11. The process of decentralization and the creation of a new structure of government that allows for more grass-roots involvement (through the popular councils) has encouraged active participation of the social sectors in health management at the local level. In 1995, as an outcome of the comprehensive policy for the development of the national health system, health councils were established at the national, provincial, municipal and popular council levels. These health councils are made up of representatives of the various social sectors and civic organizations and are headed by a government representative at each level. They have facilitated intersectoral collaboration and have increased the capacity for social participation in the identification and solution of health problems in the community.

12. The country, as part of the "Health Initiative" process aimed at mobilizing national and international resources to support reform and modernization of the sector, has developed a Master Investment Plan that sets out the basic sectoral problems, outlines strategies and actions for addressing those problems and recommends a series of investment projects for resolving or mitigating them. The collaboration of PAHO/WHO in this process, as well as that of other agencies, has been key to the whole process.

### Organization of the health sector and of the national health system

13. In Cuba, the State assumes full responsibility for the health care of its citizens. Health is considered the key ingredient for quality of life and is seen as a strategic objective in the development of society.

14. For a number of years, general mortality has been characterized by a marked predominance of causes associated with chronic non-communicable diseases. As a consequence, chronic diseases have increased the demand for more expensive drugs and for long-term care. The community participates in a series of activities related to the elderly. Cuba has been able to increase the life expectancy of its population, which is among the more developed countries, in spite of the problems for acquiring all the necessary supplies for the elderly and their need. Infant mortality continues to fall: from a rate of 10.2 per 1,000 live births in 1992, it decreased to 7.9 in 1996. In 2000, the infant mortality rate was 7.0 per 1,000 live births.

15. Accidents remain the leading cause of death for individuals up to 49 years of age, with a rate of 38.9 per 100,000 in the group aged 15 to 49 in 1996, and represent one of the main health problems for adolescents and young adults. Other important problems in these two groups are sexually-transmitted diseases and the increase in viral hepatitis type A.

16. The country's socio-economic situation influenced the lifestyle of the workers. Initially certain occupational risks decreased because of the slow down of the workforce in some sectors, which led to a reduction in accidents, especially fatal accidents; however, other risks increased as a result of job changes, reintegration of workers into the workforce and redefinition of duties in factories and other

workplaces. The reorientation of many activities toward agriculture and the increase in self-employment have created new challenges for the public health sector in terms of protecting the health of workers. Cardiovascular diseases are the leading cause of death in Cuba, with a crude death rate of 205.9 per 100,000 inhabitants in 1996. Although this number is higher than in 1989 (189.3 per 100,000 inhabitants), the trend, based on age-adjusted rates is downward. For the year 2000, the adjusted death rate due to cardiovascular diseases was 180.3 per 100,000 inhabitants.

17. For the past 26 years, malignant neoplasms have been the second leading cause of death in all age groups. The crude death rate from this cause increased from 128.8 per 100,000 inhabitants in 1990 to 137.3 per 100,000 in 1996; however, the adjusted rates for the same years went down from 116.6 to 111.0 per 100,000 inhabitants.

### National health plans and policies

18. The national health system is organized at three levels (national, provincial and municipal), which mirror the country's administrative structure. The national level is represented by the Ministry of Public Health, which serves as the lead agency and fulfils methodological, regulatory, coordination and control functions. Directly under the Ministry are university centres, highly specialized medical research and care institutions, the cluster of the medical-pharmaceutical industry and its laboratories firms that market and distribute medical equipment, as well as one firm that imports and exports drugs and high-technology medical equipment.

19. The provincial level is represented by the provincial public health offices, which are under the direct financial and administrative authority of the provincial administrative councils. The principal units under the responsibility of the provincial governments are the provincial and intermunicipal hospitals, blood banks, provincial health and epidemiology centres, training centres for health professionals and mid-level health technicians, and the network of commercial pharmacies and optical shops.

20. At the municipal level are the municipal public health offices, which come under the financial and administrative responsibility of the municipal administrative councils. The units overseen include polyclinics; rural, local and municipal hospitals; municipal health and epidemiology units and centr oral health clinics; social welfare institutions for elderly and persons with mental or phys disabilities; maternity homes; and other establishme The nuclei of municipal activity are the popu councils, a set of small communities that form an or for coordination with certain executive authorities, t giving concrete expression to the concepts administrative decentralization and public participat in decision-making and in the government of nation. The councils work in close coordination w the municipal health system.

21. A special effort has been made to revise essential drugs list, as a result of which it has b possible to reduce the number of active principles 343 distributed among 29 drug classes with 459 dos forms. In addition, there are traditional and natu medicinal products. The official drug control centr responsible for ensuring that products m international quality standards. It is recogni internationally as the agency authorized to evaluate register drugs, receive information, cond inspections, analyse and authorize products marketing, grant or revoke production licenses suspend the circulation and sale of drugs wh necessary.

### Inputs for health

22. Cuba was plunged into a profound econo crisis just as it was implementing a major investm programme for the development of the medical pharmaceutical industry. Nevertheless, after 1993, worst year of the crisis, a period of recovery beg especially in the production of drugs for domestic u Total production of drugs remained at similar lev throughout the period, except in 1993, when it drop considerably. The production of biologicals reagents increased substantially during the period.

### Expenditures and sectoral financing

23. Cuba's health system is financed out of the st budget, the purpose of which is to ensure achievement of development objectives, wh encouraging greater efficiency in the provision of necessary resources. The population receives f preventive, curative, and rehabilitation services, wh range from primary care, routine medical attention, dentistry to hospital care requiring the use of hig sophisticated medical technologies. In addition,

necessary diagnostic testing and drugs are provided free of charge to pregnant women and to persons receiving outpatient care in the context of certain programmes.

24. Out-of-pocket expenditures for families include drugs prescribed for outpatient treatment, hearing aids, dental and orthopaedic apparatuses, wheelchairs, crutches and similar articles, and eyeglasses. The prices for all these items are low and are subsidized by the State. Low-income segments of the population receive monetary and material assistance, including prostheses and drugs.

25. Despite the economic difficulties of recent years, spending on public health has increased steadily, which reflects the political will to maintain the successes achieved in this area. Allocation of local currency has been increased to compensate for the critical shrinking of hard currency availability. In 1994, health spending, which includes current health expenditures by all agencies in the country, totalled 1,061.1 million pesos, 17 per cent higher than in 1989. This absolute increase was accompanied by a relative increase in public health spending as a proportion of gross domestic product, total spending and public spending. In 1994, health spending represented 7.8 per cent of the gross domestic product, 7.5 per cent of total spending, and 14.6 per cent of public spending.

**Human resources**

26. In 1996, the country had 60,129 physicians, that is, 54.6 per 10,000 inhabitants; 9,600 dentists (8.7 per 10,000 inhabitants); and 76,013 nursing personnel (69.1 per 10,000 inhabitants). 12,716 (16.7 per cent) of whom were university trained. Since 1990, the number of mid-level personnel entering the health professions has decreased, although they will continue to be graduated in order to meet the requirements of development plans, in particular, the growing demand for primary care personnel. The adverse economic conditions of the period 1992-1994 were reflected in the availability of human resources, and, in late 1993, a reduction in the availability of mid-level technicians was observed, particularly in the area of nursing. Since 1995, economic recovery has led to greater stability of personnel.

27. In 2000, the country had 66,505 physicians, 30,297 of whom were qualified as family doctors. With regard to the training of upper-level specialists in the field of public health, the policy designed during the 1990s continued to be applied. That policy seeks to reduce the numbers of students entering schools of medicine and dentistry and to stabilize admissions to nursing degree programmes. The total number of mid-level technicians in 1996 was 192,781. The number of students entering mid-level technical training programmes has gradually decreased in recent years, as the number of these technicians has been rising to meet the demand in the country's network of health institutions.

**External technical and financial cooperation**

28. Since 1989, the multilateral collaboration has played an even more important role in the health sector in Cuba. In addition to obtaining the benefits of being a member country, it has strengthened its relations with institutions of excellence and has been able to disseminate some of its own advances and technologies. In addition, Cuban experts have been able to participate in the work of these agencies. Multilateral cooperation has been oriented towards the development of human resources, family planning, development of the pharmaceutical industry, research on various health problems, procurement of vaccines and educational activities.

29. Cuba has depended on the collaboration of Canada, Chile, France, Italy, Mexico, Spain and Sweden for conducting research and human resources training projects and for providing supplies and equipment.

30. As can be inferred from what has been presented previously, the blockade has an impact on the quality of medical care available to the population, determining especially the lack of access to inputs and drugs in the North American market or from subsidiary companies in other countries.

31. The embargo has affected the hospital network with the shortage of drugs, impossibility of acquiring new equipment or the means for repairing those which were installed several years ago, shortage of expendable material necessary for guaranteeing the surgical activity and delivery, neonatology, intensive care and others; difficulty for the procurement of necessary inputs for the general functioning of hospitals, such as the equipment of climate control for risk areas, technology for boilers, emergency

generators and patients transportation, such as ambulances.

32. The following examples show the aforementioned situation on the lack of access to the market for critical equipment and supplies:

(a) A numerous group of drugs exists for medical emergency and intensive care related to the survival of the patient, among them, antibiotics, "immunological" regulators, and antimycotics which are not accessible to Cuba. For example, Cuba does not have access to Imipiden and the Cuban State is forced to acquire substitutes at higher prices in other markets. In addition, a catheter shipment for cardiology from Medtronic was retained in customs in Miami;

(b) Baxter, Healthcare, Drake Willock, Vitalmex Interamericana SA, are providers with high-technology development and located close by, but refuse to sell equipment and accessories to Cuba;

(c) The United States market represents 70 per cent of the world market in the area of diagnostic resources, and the best technology of this specialty is developed in the United States. The lack of access to these technologies and to the exchange of information has affected the development of those specialties;

(d) Cuba has no access to the purchase of kits produced by the Company One-Lamba (recognized as being of high quality by the Cuban nephrologists) for the HLA (Histo-compatibility Lymphocyte Antigen) typings, which are essential procedures for determining the compatibility of a candidate for kidney transplant with potential donors;

(e) The executives of Teletronic of Australia, manufacturers of supplies for cardiology, decided to stop their sales to Cuba because they were produced in a factory located in the state of Florida, in the United States;

(f) In April 2001 the Swiss company Roche informed mediCuba that it was impossible for it to legally dispatch to Cuba products manufactured in the United States. These products are supplies utilized for the production of Polivit and Prenatal, nutritional supplements for pregnant women and infants.

33. The effects of the embargo are also clear in the difficulties with access to services, among them, scientific publications. The response capacity of the health services, including from family doctors' offices to the higher complexity hospitals, has been notably affected by the lack of up-to-date bibliographies and professional exchange, which limits the development of human resources.

34. In general, the programme of scientific and technical development has been affected with regard to research and assistance activities, inasmuch as the institutes and centres of excellence do not have access to the products and reagents from the United States that are cutting-edge technologies and sometimes are the only existing ones.

35. The PAHO/WHO Representative Office in Cuba provides a decentralized technical cooperation, allowing the country office to have a presence in 73 of 169 municipalities in the country. The embargo affects practically all health programmes: primary-care services, environmental, food and nutrition, health promotion and disease prevention, maternal and child health, health of the elderly, adolescent health, mental health and sexually transmitted diseases.

36. The embargo, on the other hand, deprives the United States itself, its universities, scientists and pharmaceutical companies, of the possibilities of exchanging experiences and know-how with the scientific and health system in Cuba, and even allowing its own population to benefit from the advances of Cuban medicine. A specific case being the vaccine against a certain type of meningitis that affects 2,600 people between 2 and 18 years every year, of which between 10 and 15 per cent die; Cuba has successfully developed an effective vaccine against this disease.

37. As it was said at the beginning, PAHO/WHO has maintained its cooperation with Cuba advising on the necessary health reform and making additional efforts to mobilize additional support through special meetings with donors for projects designed out of an exhaustive health and environment sectoral analysis carried out in 1997. Furthermore, some non-governmental organizations as global links have obtained authorization from the United States Department of Commerce in order to send to Cuba second-hand medical equipment and supplies to mitigate the shortage critical situation; the organization has facilitated this humanitarian assistance.

## Universal Postal Union

[Original: French]
[24 July 2001]

The Universal Postal Union has always considered Cuba a full member of the union, with the same rights and obligations as the other members. In 2000 Cuba even benefited from a number of technical assistance measures financed by the Union.

## International Telecommunication Union

[Original: English]
[17 July 2001]

The role of the International Telecommunication Union is to facilitate peaceful relations, international cooperation among peoples and economic and social development by means of efficient telecommunication services. In this respect, Cuba has been benefiting from the assistance of the International Telecommunication Union, namely through the Telecommunication Development Bureau and on the strategies for implementing an e-commerce infrastructure. The main challenge is to propose a technology implementation without the use of solutions that have export restrictions to Cuba.

*Notes*

[1] Inv. No. 332-413, United States International Trade Commission Publication No. 3398, February 2001.

[2] See *International Herald Tribune*, 19 February and 22 June 2001.

[3] IP/C/W/139/Add.2.

[4] See the minutes of the meetings of the World Trade Organization Council for Trade-Related Aspects of Intellectual Property Rights (IP/C/M/23-27), and the World Trade Organization newsletter, *Focus*, No. 48, September-October 2000.